ST ORIGINAL

BLOOD HURST & O'REARDON, LLP



Plaintiff Tamara Grabowski ("plaintiff") brings this action on behalf of herself and all others similarly situated against defendant SKECHERS U.S.A., Inc. ("SKECHERS" or "defendant"), and states:

JURISDICTION AND VENUE

- 1. This Court has original jurisdiction pursuant to 28 U.S.C. §1332(d)(2). The matter in controversy, exclusive of interest and costs, exceeds the sum or value of \$5,000,000 and is a class action in which some of the members of the class of plaintiffs are citizens of states different from SKECHERS. Further, greater than two-thirds of the class members reside in states other than the state in which SKECHERS is a citizen.
- 2. Venue is proper in this Court pursuant to 28 U.S.C. §1391 in that many of the acts and transactions giving rise to this action occurred in this district and because defendant:
- (a) is authorized to conduct business in this district and has intentionally availed itself of the laws and markets within this district through the promotion, marketing, distribution and sale of its products in this district;
 - (b) does substantial business in this district; and
 - (c) is subject to personal jurisdiction in this district.

NATURE OF ACTION

3. SKECHERS manufactures, markets and sells a type of men's and women's footwear known as SKECHERS Shape-ups®. Through an extensive and comprehensive nationwide marketing campaign, SKECHERS claims the expensive Shape-ups® (starting at \$100 per pair) will provide to anyone who wears them a variety of health benefits ordinary footwear cannot provide. SKECHERS promises that its shoes improve posture, promote weight loss, strengthen the back, improve blood circulation, promote sleep, reduce mental stress, reduce physical stress on knees, legs and ankle joints, and burn calories. SKECHERS represents that clinical studies show that Shape-ups® are proven to provide these major health benefits. However, SKECHERS Shape-ups® are not proven to provide any of these benefits. To the contrary, its Shape-ups® may cause or exacerbate the very type of problems

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- SKECHERS claims its footwear provides. SKECHERS' representations are false, misleading, and reasonably likely to deceive the public.
- SKECHERS' nationwide advertising campaign has been extensive and comprehensive, spending millions of dollars to convey these deceptive messages to consumers throughout the United States. SKECHERS conveyed and continues to convey its deceptive claims about Shape-ups® through a variety of media, including point of sale displays, television, newspapers, magazines, direct mail, the Internet and on the product's packaging. The only reason a consumer would buy Shape-Ups® is to obtain the advertised benefits.
- 5. SKECHERS' advertising and marketing campaign is designed to cause consumers to buy Shape-ups® as a result of the deceptive health benefits message, and SKECHERS has succeeded. As a result of this campaign, the Shape-ups® launch has elevated the footwear brand to the top seller in its product category, and generated record sales exceeding \$100 million.
- 6. And as a result of the misleading messages conveyed through its campaign, SKECHERS has sold footwear that does not perform as advertised, and can cause harm to people who wear them. Further, SKECHERS has been able to charge a significant price premium for Shape-ups® over other footwear products, including other SKECHERS footwear products.
- 7. Plaintiff brings this action on behalf of herself and other similarly situated consumers who purchase Shape-ups® in the United States in order to halt the dissemination of this false and misleading advertising message, correct the false and misleading perception SKECHERS has created in the minds of consumers, and to obtain redress for those who have purchased Shape-ups®. Plaintiff alleges violations of the Consumers Legal Remedies Act, the Unfair Competition Law, and breach of express warranty created by SKECHERS' marketing, including its advertising and packaging.

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PARTIES

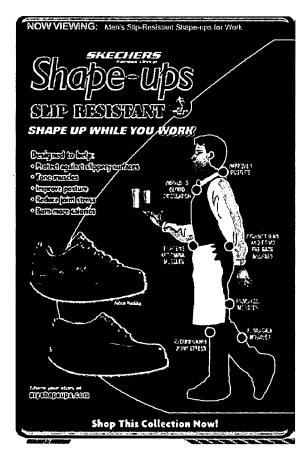
- 8. At all times relevant to this matter, plaintiff Tamara Grabowski resided and continues to reside in this district. During the class period, plaintiff was exposed to and saw SKECHERS' advertising claims, purchased Shape-ups® in reliance on these claims, and suffered injury in fact and lost money as a result of the unfair competition described herein.
- 9. Defendant SKECHERS (NYSE: SKX), is incorporated in the State of Delaware and is headquartered in Manhattan Beach, California. SKECHERS is registered to do business in the State of California, and does business in the State of California. SKECHERS' corporate headquarters and additional administrative offices are located at five premises in Manhattan Beach, California. From its Manhattan Beach headquarters and Ontario, California distribution centers, SKECHERS created the false and deceptive advertising campaign at issue, and promotes, markets, distributes, and sells Shape-ups® to hundreds of thousands of consumers throughout the United States. As stated in its most recent Form 10-K filing, the majority of SKECHERS advertising is conceptualized using its in-house design team, and senior management is directly involved in shaping the image and conception, development and implementation of its advertising and marketing activities. Along with wholesale distribution, SKECHERS sells the Shape-ups® footwear on its e-commerce website and in its own retail stores.

FACTUAL ALLEGATIONS

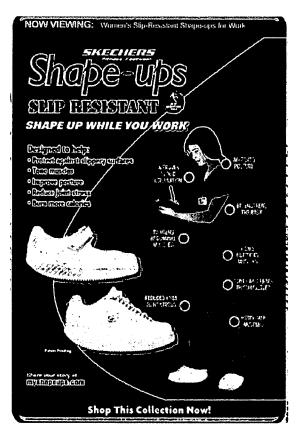
10. The Shape-ups® footwear manufactured, advertised, marketed and sold by SKECHERS have a sole that curves outward from the bottom of the foot, so the bottom of the shoe is a convex, semi-circular shape. It is known in the industry as a "rocker bottom" shoe. Shape-ups® footwear is the leader in this new category of footwear. The rocker bottom shoe category enjoyed retail sales of about \$145 million in 2009, up from just \$17 million in 2008, and is expected to materially increase over the next several years. In fact, in just the first four months of 2010, sales of rocker bottom shoes skyrocketed to \$252 million. The following is an example of one of SKECHERS Shape-ups® shoes:



- 11. SKECHERS represent that Shape-ups® work as follows: "Designed to improve your life by changing the way you walk, Shape-ups feature a unique soft kinetic wedge insert and dynamic rolling bottom to simulate walking on soft sand. With the comfort of Shape-ups, you will feel your heel sink to the ground as you step, roll forward as your weight shifts to its center, and push off with your toes. This movement will result in stronger leg, buttock, back and abdominal muscles as you stabilize your steps."
- 12. In June 2009 SKECHERS launched its Shape-ups® line of footwear in the United States. On Shape-ups® packaging and in its other advertisements, SKECHERS stated and continues to state that Shape-ups® provide major health benefits, including reducing knee and joint stress, toning muscles, promoting weight-loss, improving posture, improving blood circulation, tightening abdominal muscles, strengthening and firming back muscles, firming leg muscles and firming calf muscles. SKECHERS promises to provide the benefits of exercising, without the need to exercise, or exercise as much.
- 13. Throughout the relevant time period, SKECHERS has marketed Shape-ups® using similar and deceptive advertising and packaging. Likewise, the marketing for men's and women's Shape-ups® contains substantially the same message. The following is an example of a typical men's Shape-ups® print advertisement:



Below is an example of a typical women's Shape-ups® print advertisement: 14.



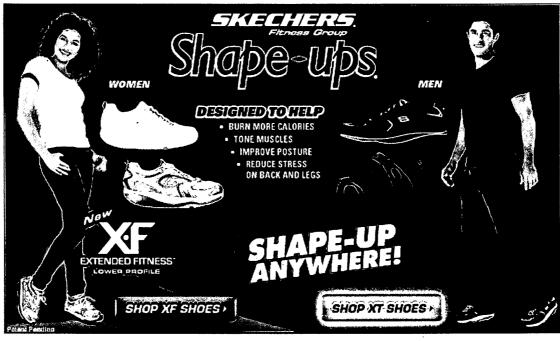
15. Another print advertisement promises:

CHANGE YOUR LIFE BY WALKING IN Shape-ups.

Shape Ups® are designed to enhance the benefits of walking by stimulating muscles not utilized with standard walking shoes. They also reduce the impact on joints by providing a more neutral, forgiving walking surface. Walking on a soft surface may seem awkward at first, but your body will compensate by activating muscles in your legs, buttocks, back and stomach to center your body, resulting in improved coordination and posture, stronger muscles, and increased blood flow.

Shape Ups will have a positive impact on you physically. Regular use of Shape Ups help you sleep better and can play an important role in combating stress. It's as easy as walking in Shape Ups.

- 16. The Shape-ups® print advertisements each contain substantially similar messages about Shape-ups® ability to provide health benefits. Attached as Exhibit A is a collection of some of the advertisements containing the uniform false and deceptive statements.
- 17. SKECHERS also repeats the Shape-ups® misrepresentations on its websites: www.SKECHERS.com, www.soholab.com, and www.myshapeups.com. These websites are available to the general public and SKECHERS' advertisements in other media promote these websites.
- 18. For example, on the front page of its SKECHERS.com website, SKECHERS makes the following claims:



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19.	According	to	SKECHERS,	there	are	"3	REASONS	WHY	YOU	<u>NEEI</u>
Shape-ups":			i							

1. Stronger You

Shape-ups are designed to help you strengthen your muscles, including your back, abdomen, and calves.

2. Healthier You

Shape-ups will help you lose weight and improve your circulation, creating a healthier you!

3. Easy Exercise Routine

It's easy to shape up with Shape-ups. Wear your Shape-ups everywhere and anywhere you walk (or stand), and your body will feel the benefits.

20. SKECHERS print and website advertisements reinforce the health benefits messages by using purported doctor endorsement and customer testimonials:

"After performing a six-week clinical trial testing the benefits of SKECHERS Shape-ups, I am confident in recommending them to patients to increase their low back endurance and improve gluteal strength. Patients also benefitted from weight loss and improved body composition."

- Dr. Steve Gautrea, California

"These Shape-ups help me get a good walking workout without killing my knees or shins. They have amazing cushioning and the rolling motion minimizes the impact on my joints."

- Sarah, London
- "Shape-ups really help my back feel better and after walking in the shoes daily, my muscles feel much stronger."
- Frank, Arizona
- 21. SKECHERS Shape-ups® television commercials convey the same message by SKECHERS in other media. A typical Shape-ups® television commercial claims:
 - [Announcer voice]: "Get in shape without setting foot in a gym with Shape-ups® from SKECHERS."
 - [Testimonial from Lisa Ohio]: "I already feel a difference in the way my jeans fit."
 - [Testimonial from Nina Texas]: "My feet, legs and back don't hurt anymore."

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- [Voice of Pro Football Hall of Fame quarterback Joe Montana]: "I'm Joe Montana, and I spent 16 years playing pro football, and Shape-ups® have improved my strength and posture."
- [Announcer voice]: "Get in shape. Shape-ups® from SKECHERS."
- 22. Another typical commercial, featuring Hall of Fame Quarterback Joe Montana, claims:

"I've been an athlete all my life. When I came out of football I couldn't do a I'd had knee surgeries, back surgeries...I've heard all these promises from all kinds of shoe companies about the new cushioning system that's gonna change this, change that. All of the sudden I came across the Shape-ups® and my knees were feeling better after long walks, my back wasn't hurting quite as much, all of the sudden my posture was changing and I started feeling a lot better and, you know, thinking some crazy things all of the sudden. You're all hearing my comeback. What we would like to do is hear about your comeback. Got to myshapeups.com and share your story with us."

- 23. To further reinforce the appearance that its claims are legitimate and different from ordinary footwear, each pair of Shape-ups® comes with an "instructional booklet" and "instructional DVD."
- 24. SKECHERS also claims that the Shape-ups® major health benefits have been shown in clinical studies. For example, at its skechers.com and soholab.com websites, SKECHERS states: "Four clinical studies in the US and Japan show that Shape-ups increase muscle activity and energy consumption over standard fitness shoes!" However, none of these studies constitutes reliable scientific or clinical proof. These studies were funded by SKECHERS, and none of them have been published in peer-reviewed journals. SKECHERS does not make the full studies publically available.
- 25. Even SKECHERS' own purported clinical proof demonstrates the falsity of its claims. Contrary to SKECHERS' advertising claims, one of the four purported clinical studies concluded that the participants wearing Shape-ups® did not experience statistically significant differences in terms of weight loss or body composition. See S. Gautreau, Skechers Shape Ups Clinical Case Study, http://www.fitnessfootwear.com/t-Skechers-Shape-Ups-Clinical-Case-Study.aspx (last visited June 17, 2010).

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- SKECHERS also states that "Doctors and researchers have confirmed that 26. walking in Shape-ups can have major benefits on our health, including:
 - More toned and strengthened leg, back, buttock and abdominal muscles
 - Reduced body fat
 - Improved circulation, aerobic condition and exercise tolerance
 - Improved posture, relieving muscle tension and back/joint problems."
- 27. However, clinical evidence that has been subjected to scientific peer-review – unlike the four purported clinical studies listed on SKECHERS' websites – suggests that not only are SKECHERS' claims regarding Shape-ups® false and deceptive, but that wearing Shape-ups® as directed could result in harm to the wearer. For example, in one published study conducted to determine the effectiveness of unstable shoe construction (rocker bottomed shoes) on reducing pain and increasing balance in persons with knee osteoarthritis found that there was no significant difference between the test group that wore an unstable shoe construction and the control group in either pain reduction or increased balance. "Unstable Shoe Construction and Reduction of Pain in Osteoarthritis Patients," Nigg, Benno, et al., Medicine & Science in Sports & Exercise (2006).
- 28. As to SKECHERS' claim that wearing Shape-ups® reduces joint stress, another published study testing unstable shoe construction on joints did not find evidence to support the hypothesis that unstable shoe construction reduced joint loading; rather there was no significant difference in the nine joint impulses measured between the group that wore unstable shoes and the control group that wore a regular running shoe. "Effect of unstable Shoe Construction on Lower Extremity Gait Characteristics." Nigg, Benno, et al., Clinical Biomechanics (2005).
- 29. Based upon the purported major health benefits conveyed in its marketing and advertising, SKECHERS is able to price Shape-ups® at a premium to other similar footwear. In fact, the average retail price of Shape-ups® is almost double the price of other SKECHERS shoes. Through the uniform deceptive and misleading marketing campaign,

SKECHERS leads consumers to believe that the proven health benefits justify the price differential.

- 30. Shape-ups® have resulted in record sales revenues for SKECHERS. According to SKECHERS' Chief Operating Officer during an investor conference call on February 17, 2010, "I know the [Shape-ups®] category for us is bigger than we anticipated." In October 2009 analysts predicted that SKECHERS was selling an average of 35,000 pairs of Shape-ups® per week.
- During the first quarter of 2010, SKECHERS' quarterly sales surged 44 percent, with record quarterly sales and earning totaling \$492 million and \$56 million, respectively. According to an industry survey conducted on May 16, 2010, six of the top ten athletic shoes were so-called toning products with four of the ten shoes being Shape-ups®. In 2009, an industry analyst predicted that Shape-ups® held an 80 percent market share of the \$145 million rocker-bottom shoe market.

CLASS DEFINITION AND ALLEGATIONS

32. Plaintiff brings this action on behalf of herself and members of a Class defined as:

All persons who purchased SKECHERS Shape-ups® branded footwear in the United States. Excluded from the Class are defendant and its officers, directors and employees and those who purchased SKECHERS Shape-ups® branded footwear for the purpose of resale.

- 33. *Numerosity*. The members of the Class are so numerous that their individual joinder is impracticable. Plaintiff is informed and believes, and on that basis alleges, that the proposed Class contains hundreds of thousands of members. The precise number of Class members is unknown to plaintiff. The true number of Class members is known by the defendant, however, and thus, may be notified of the pendency of this action by first class mail, electronic mail, and by published notice.
- 34. Existence and Predominance of Common Questions of Law and Fact.

 Common questions of law and fact exist as to all members of the Class and predominate over

any questions affecting only individual Class members. These common legal and factual questions include, but are not limited to, the following:

- (a) whether SKECHERS had adequate substantiation for its claims prior to making them;
- (b) whether the claims discussed above are true, or are misleading, or reasonably likely to deceive:
 - (c) whether SKECHERS' alleged conduct violates public policy;
 - (d) whether the alleged conduct constitutes violations of the laws asserted;
 - (e) whether SKECHERS engaged in false or misleading advertising;
- (f) whether plaintiff and Class members have sustained monetary loss and the proper measure of that loss;
- (g) whether plaintiff and Class members are entitled to an award of punitive damages; and
- (h) whether plaintiff and Class members are entitled to declaratory and injunctive relief.
- 35. *Typicality*. Plaintiff's claims are typical of the claims of the members of the Class in that the defendant was unjustly enriched as a result of plaintiff's and the Class' respective purchases of Shape-ups®.
- 36. Adequacy of Representation. Plaintiff will fairly and adequately protect the interests of the members of the Class. Plaintiff has retained counsel experienced in complex consumer class action litigation, and plaintiff intends to prosecute this action vigorously. Plaintiff has no adverse or antagonistic interests to those of the Class.
- 37. Superiority. A class action is superior to all other available means for the fair and efficient adjudication of this controversy. The damages or other financial detriment suffered by individual Class members is relatively small compared to the burden and expense that would be entailed by individual litigation of their claims against the defendant. It would thus be virtually impossible for the Class, on an individual basis, to obtain effective redress for the wrongs done to them. Furthermore, even if Class members could afford such

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individualized litigation, the court system could not. Individualized litigation would create the danger of inconsistent or contradictory judgments arising from the same set of facts. Individualized litigation would also increase the delay and expense to all parties and the court system from the issues raised by this action. By contrast, the class action device provides the benefits of adjudication of these issues in a single proceeding, economies of scale, and comprehensive supervision by a single court, and presents no unusual management difficulties under the circumstances here.

- 38. In the alternative, the Class may also be certified because:
- the prosecution of separate actions by individual Class members would create a risk of inconsistent or varying adjudication with respect to individual Class members that would establish incompatible standards of conduct for the defendant;
- (b) the prosecution of separate actions by individual Class members would create a risk of adjudications with respect to them that would, as a practical matter, be dispositive of the interests of other Class members not parties to the adjudications, or substantially impair or impede their ability to protect their interests; and/or
- (c) defendant has acted or refused to act on grounds generally applicable to the Class thereby making appropriate final declaratory and/or injunctive relief with respect to the members of the Class as a whole.
- 39. Unless a Class is certified, defendant will retain monies received as a result of its conduct that was taken from plaintiff and Class members. Unless a Class-wide injunction is issued, defendant will continue to commit the violations alleged, and the members of the Class and the general public will continue to be misled.

COUNT I .

Violation of Business & Professions Code §17200, et seq.

- 40. Plaintiff repeats and realleges the allegations contained in the paragraphs above, as if fully set forth herein.
 - 41. Plaintiff brings this claim individually and on behalf of the Class.

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- 42. As alleged herein, plaintiff has suffered injury in fact and lost money or property as a result of defendant's conduct because she purchased SKECHERS Shape-ups® branded footwear.
- 43. The Unfair Competition Law, Business & Professions Code §17200, et seq. ("UCL"), prohibits any "unlawful," "fraudulent" or "unfair" business act or practice and any false or misleading advertising. In the course of conducting business, defendant committed unlawful business practices by, inter alia, making the representations (which also constitutes advertising within the meaning of §17200) and omissions of material facts, as set forth more fully herein, and violating Civil Code §§1572, 1573, 1709, 1711, 1770, Business & Professions Code §§17200, et seq., 17500, et seq., California Health & Safety Code §110390, et seq., 21 U.S.C. §301, et seq., and the common law.
- 44. Plaintiff and the Class reserve the right to allege other violations of law which constitute other unlawful business acts or practices. Such conduct is ongoing and continues to this date.
- 45. Defendant's actions also constitute "unfair" business acts or practices because, as alleged above, inter alia, defendant engages in false advertising, misrepresents and omits material facts regarding its shipping services, and thereby offends an established public policy, and engages in immoral, unethical, oppressive, and unscrupulous activities that are substantially injurious to consumers.
- 46. As stated in this Complaint, plaintiff alleges violations of consumer protection, unfair competition and truth in advertising laws, resulting in harm to consumers. Defendant's acts and omissions also violate and offend the public policy against engaging in false and misleading advertising, unfair competition and deceptive conduct towards consumers. This conduct constitutes violations of the unfair prong of Business & Professions Code §17200, et seq.
- 47. There were reasonably available alternatives to further SKECHERS' legitimate business interests, other than the conduct described herein.

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- 48. Business & Professions Code §17200, et seq., also prohibits any "fraudulent business act or practice." 49. SKECHERS' actions, claims, nondisclosures, and misleading statements, as
- alleged in this Complaint, were false, misleading and likely to deceive the consuming public within the meaning of Business & Professions Code §17200, et seq.
- 50. Plaintiff and other members of the Class have in fact been deceived as a result of their reliance on defendant's representations and omissions. This reliance has caused harm to plaintiff and other members of the Class. Plaintiff and other Class members have suffered injury in fact and lost money as a result of these unlawful, unfair, and fraudulent practices.
- 51. As a result of its deception, defendant has been able to reap unjust revenue and profit.
- Unless restrained and enjoined, defendant will continue to engage in the 52. above-described conduct. Accordingly, injunctive relief is appropriate.
- 53. Plaintiff, on behalf of herself, all others similarly situated, and the general public, seeks restitution and disgorgement of all money obtained from plaintiff and the members of the Class collected as a result of unfair competition, an injunction prohibiting defendant from continuing such practices, corrective advertising and all other relief this Court deems appropriate, consistent with Business & Professions Code §17203.

COUNT II

Violations of the Consumers Legal Remedies Act – Civil Code §1750 et seq.

- 54. Plaintiff repeats and realleges the allegations contained in the paragraphs above, as if fully set forth herein.
 - 55. Plaintiff brings this claim individually and on behalf of the Class.
- 56. This cause of action is brought pursuant to the Consumers Legal Remedies Act, California Civil Code §1750, et seq. (the "Act"). Plaintiff is a consumer as defined by California Civil Code §1761(d). SKECHERS Shape-ups® footwear are goods within the meaning of the Act.

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57.	SKECHERS viola	ted and conti	nues to violate	the Act by	engaging in	ı the
following prac	tices proscribed	by California	Civil Code §	1770(a) in tr	ansactions	with
plaintiff and th	e Class which we	ere intended to	o result in, and	did result in,	the sale of	f the
Shape-ups®:						

- (5) Representing that [Shape-ups® have] . . . approval, characteristics, . . . uses [or] benefits . . . which they do not have
- **(7)** Representing that [Shape-ups® are] of a particular standard, quality or grade . . . if they are of another.
- (9) Advertising goods . . . with intent not to sell them as advertised.
- (16)Representing that [Shape-ups® have] been supplied in accordance with a previous representation when [they have] not.
- 58. SKECHERS violated the Act by representing through its advertisements the Shape-ups® as described above when it knew, or should have known, that the representations and advertisements were unsubstantiated, false and misleading.
- 59. Pursuant to California Civil Code §1782(d), plaintiff and the Class seek a Court order enjoining the above-described wrongful acts and practices of defendant and for restitution and disgorgement.
- 60. Pursuant to §1782 of the Act, by letter dated June 17, 2010, plaintiff notified defendant in writing by certified mail of the particular violations of §1770 of the Act and demanded that defendant rectify the problems associated with the actions detailed above and give notice to all affected consumers of its intent to so act. A copy of the letter dated June 17, 2010, is attached as Exhibit B.
- 61. If defendant fails to rectify or agree to rectify the problems associated with the actions detailed above or give notice to all affected consumers within 30 days of the date of

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written notice pursuant to §1782 of the Act, plaintiff will amend this Complaint to add claims for actual, punitive and statutory damages, as appropriate.

62. Defendant's conduct is malicious, fraudulent and wanton.

COUNT III

Breach of Express Warranty

- 63. Plaintiff repeats and realleges the allegations contained in the paragraphs above, as if fully set forth herein.
 - 64. Plaintiff brings this claim individually and on behalf of the Class.
- 65. Plaintiff, and each member of the Class, formed a contract with defendant at the time plaintiff and the other members of the Class purchased the Shape-ups® footwear. The terms of that contract include the promises and affirmations of fact made by SKECHERS on its Shape-ups® packaging and through its marketing campaign, as described above. This product packaging and advertising constitutes express warranties, became part of the basis of the bargain, and is part of a standardized contract between plaintiff and the members of the Class on the one hand, and SKECHERS on the other.
- 66. All conditions precedent to SKECHERS' liability under this contract have been performed by plaintiff and the Class.
- 67. SKECHERS breached the terms of this contract, including the express warranties, with plaintiff and the Class by not providing the Shape-ups® footwear which could provide the benefits described above.
- 68. As a result of SKECHERS' breach of its contract, plaintiff and the Class have been damaged in the amount of the purchase price of the Shape-ups® footwear they purchased.

PRAYER FOR RELIEF

Wherefore, plaintiff prays for a judgment:

- Certifying the Class as requested herein; A.
- B. Awarding plaintiff and the proposed Class members damages;

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- C. Awarding restitution and disgorgement of SKECHERS' revenues to plaintiff and the proposed Class members;

 D. Awarding declaratory and injunctive relief as permitted by law or equity, including: enjoining defendant from continuing the unlawful practices as set forth herein, and directing defendant to identify, with Court supervision, victims of its conduct and pay them
 - E. Ordering SKECHERS to engage in a corrective advertising campaign;

restitution and disgorgement of all monies acquired by defendant by means of any act or

F. Awarding attorneys' fees and costs; and

practice declared by this Court to be wrongful;

G. Providing such further relief as may be just and proper.

JURY DEMAND

Plaintiff demands a trial by jury on all issues so triable.

Dated: June 17, 2010

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SKECHERS Shape-ups with Joe Montana Shop this collection



Shape-ups by **SKECHERS** Shop this collection



Women's Slip-Resistant Shape-ups for Work Shop this collection

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Men's Slip-Resistant Shape-ups for Work Shop this collection

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SKECHERS Shape-ups with Joe Montana Shop this collection 111111



Women's Shape-ups by **SKECHERS** Shop this collection



..... Women's Shape-ups XF by SKECHERS Shop this collection



SKECHERS Kids **Girl Power** Shop this collection



Men's Shape-ups by **SKECHERS** Shop this collection



WILLIAM Men's **SKECHERS** Sport



WINDHIN



Shape-ups by SKECHERS Shop this collection



Women's Shape-ups by **SKECHERS** Shop this collection



Women's Shape-ups by SKECHERS Shop this collection



Women's **SKECHERS** Active Shop this collection

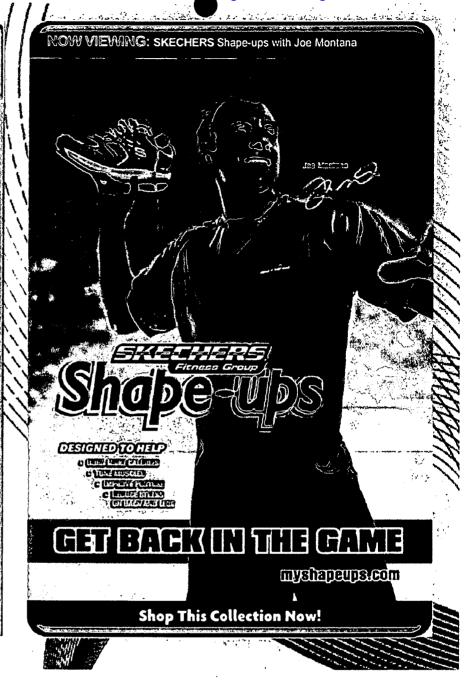


Men's **SKECHERS** Sport Shop this collection



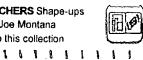








with Joe Montana Shop this collection

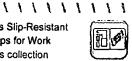




Shape-ups by SKECHERS Shop this collection



Women's Slip-Resistant Shape-ups for Work Shop this collection



Men's Slip-Resistant Shape-ups for Work Shop this collection



SKECHERS Shape-ups with Joe Montana Shop this collection

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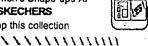
Women's Shape-ups by **SKECHERS** Shop this collection



********** Women's Shape-ups XF



by SKECHERS Shop this collection



SKECHERS Kids





MINIMAN Men's Shape-ups by **SKECHERS**



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Men's **SKECHERS** Sport



MINIMIN



Shape-ups by





Women's Shape-ups by SKECHERS Shop this collection



Women's Shape-ups by SKECHERS Shop this collection



Women's **SKECHERS** Active Shop this collection



Men's SKECHERS Sport Shop this collection







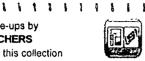




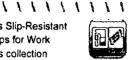




Shape-ups by **SKECHERS** Shop this collection



Women's Slip-Resistant Shape-ups for Work Shop this collection



Men's Slip-Resistant Shape-ups for Work Shop this collection

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SKECHERS Shape-ups with Joe Montana Shop this collection



Women's Shape-ups by **SKECHERS**



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Women's Shape-ups XF by SKECHERS Shop this collection





SKECHERS Kids Girl Power Shop this collection



Men's Shape-ups by **SKECHERS** Shop this collection



mmmm Men's **SKECHERS** Sport



mummi



Shape-ups by SKECHERS Shop this collection



Women's Shape-ups by **SKECHERS** Shop this collection





Women's Shape-ups by **SKECHERS** Shop this collection





Women's **SKECHERS** Active Shop this collection



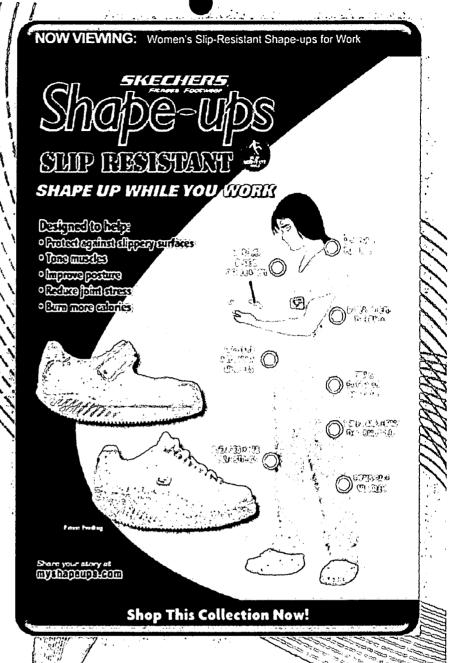


Men's **SKECHERS** Sport Shop this collection







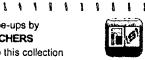








Shape-ups by **SKECHERS** Shop this collection





Women's Slip-Resistant Shape-ups for Work Shop this collection



Men's Slip-Resistant Shape-ups for Work Shop this collection



SKECHERS Shape-ups with Joe Montana Shop this collection

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Women's Shape-ups by SKECHERS . Shop this collection



Women's Shape-ups XF by SKECHERS







Girl Power Shop this collection



Men's Shape-ups by **SKECHERS** Shop this collection



WILLIAM Men's



SKECHERS Sport





Shape-ups by SKECHERS Shop this collection





Women's Shape-ups by **SKECHERS** Shop this collection







Women's **SKECHERS** Active Shop this collection

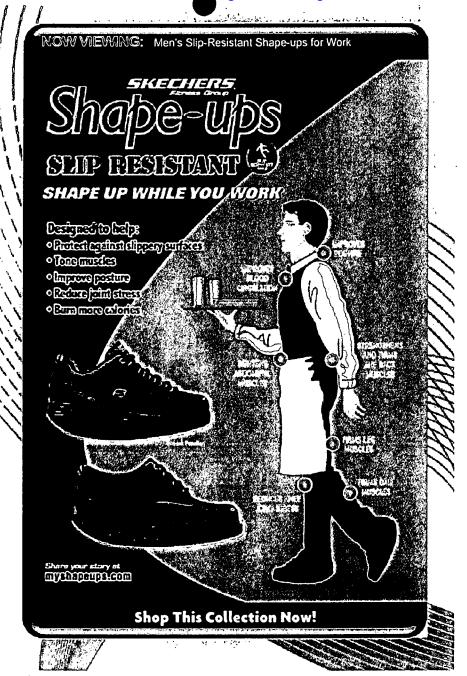


Men's **SKECHERS** Sport Shop this collection







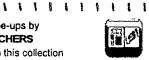




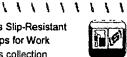




Shape-ups by **SKECHERS** Shop this collection



Women's Slip-Resistant Shape-ups for Work Shop this collection



Men's Slip-Resistant Shape-ups for Work Shop this collection

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SKECHERS Shape-ups with Joe Montana Shop this collection ******



Women's Shape-ups by **SKECHERS** Shop this collection



********** Women's Shape-ups XF by SKECHERS



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Men's Shape-ups by **SKECHERS** Shop this collection



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Women's Shape-ups by **SKECHERS** Shop this collection





Women's Shape-ups by **SKECHERS** Shop this collection



Women's **SKECHERS** Active Shop this collection



SKECHERS Sport Shop this collection







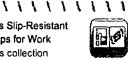




Shape-ups by **SKECHERS** Shop this collection



Women's Slip-Resistant Shape-ups for Work Shop this collection



Men's Slip-Resistant Shape-ups for Work Shop this collection



SKECHERS Shape-ups with Joe Montana Shop this collection



1111111 Women's Shape-ups by SKECHERS

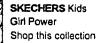


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Women's Shape-ups XF by SKECHERS Shop this collection







Men's Shape-ups by **SKECHERS**



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Women's Shape-ups by SKECHERS Shop this collection





Women's Shape-ups by **SKECHERS** Shop this collection





Women's **SKECHERS** Active Shop this collection



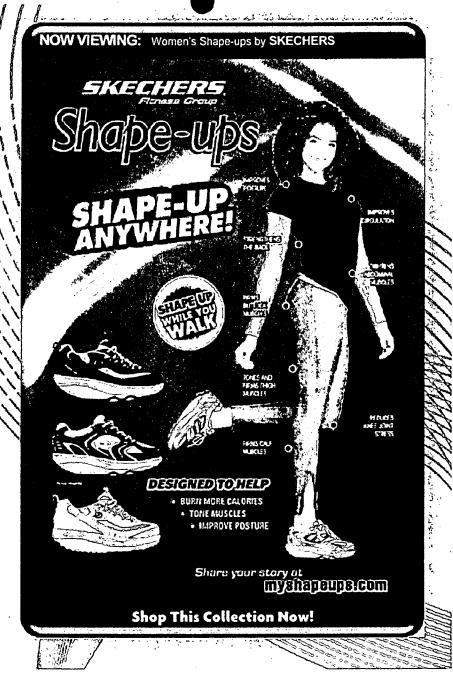


Men's **SKECHERS** Sport Shop this collection









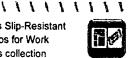




Shape-ups by **SKECHERS** Shop this collection



Women's Slip-Resistant Shape-ups for Work Shop this collection



Men's Slip-Resistant Shape-ups for Work Shop this collection



SKECHERS Shape-ups with Joe Montana Shop this collection 1111111



Women's Shape-ups by **SKECHERS** Shop this collection



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SKECHERS Kids Girl Power Shop this collection



Men's Shape-ups by **SKECHERS** Shop this collection



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Shape-ups by SKECHERS Shop this collection



Women's Shape-ups by **SKECHERS** Shop this collection



Women's Shape-ups by **SKECHERS** Shop this collection



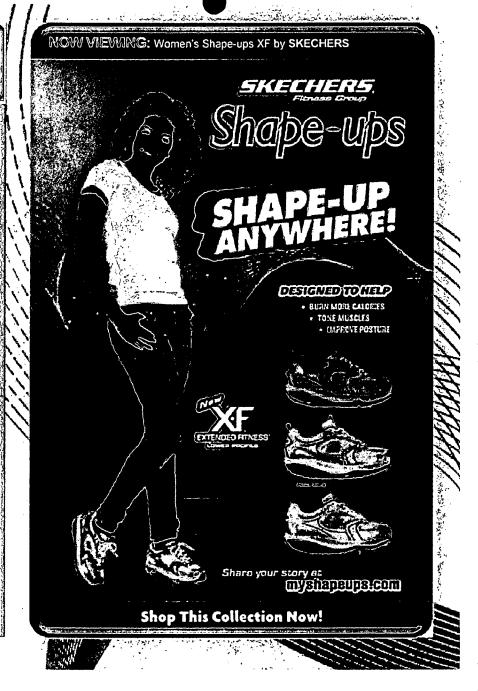
Women's **SKECHERS** Active Shop this collection



Men's **SKECHERS** Sport Shop this collection





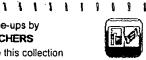




with Joe Montana Shop this collection



Shape-ups by **SKECHERS** Shop this collection



Women's Slip-Resistant Shape-ups for Work Shop this collection



Men's Slip-Resistant Shape-ups for Work Shop this collection



SKECHERS Shape-ups with Joe Montana Shop this collection



1111111 Women's Shape-ups by **SKECHERS**



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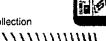
********** Women's Shape-ups XF by SKECHERS



Shop this collection



SKECHERS Kids Girl Power Shop this collection



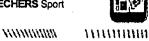
Men's Shape-ups by **SKECHERS** Shop this collection



THITTHEE



Men's **SKECHERS** Sport





Shape-ups by **SKECHERS** Shop this collection



Women's Shape-ups by SKECHERS Shop this collection



Women's Shape-ups by SKECHERS Shop this collection



Women's **SKECHERS** Active Shop this collection

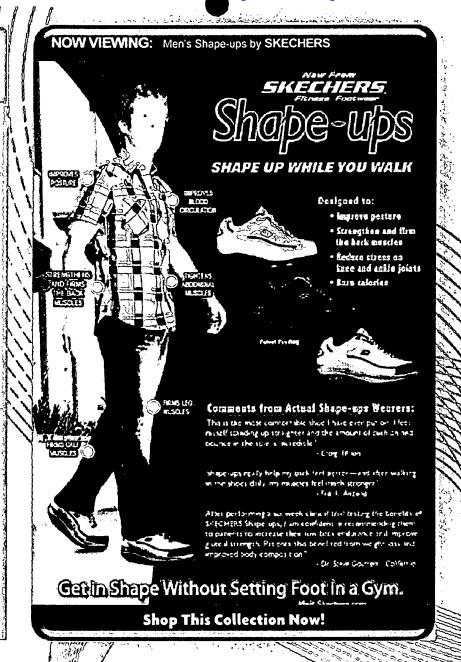


Men's **SKECHERS** Sport Shop this collection

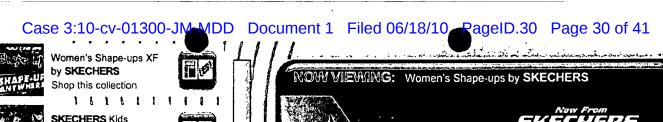


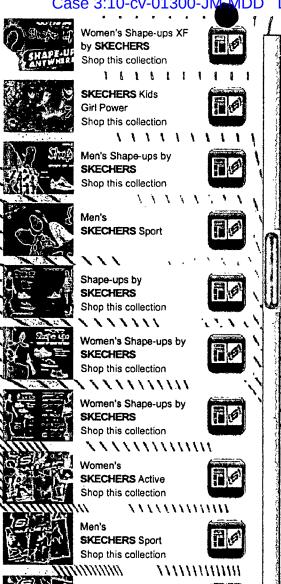
















Men's SKECHERS USA Shop this collection



MIMIMIM Slip-Resistant Shape-ups



for Work Shop this collection





SKECHERS Kids





SKECHERS Slip-Resistant Footwear Shop this collection



Women's Shape-ups by **SKECHERS** Shop this collection



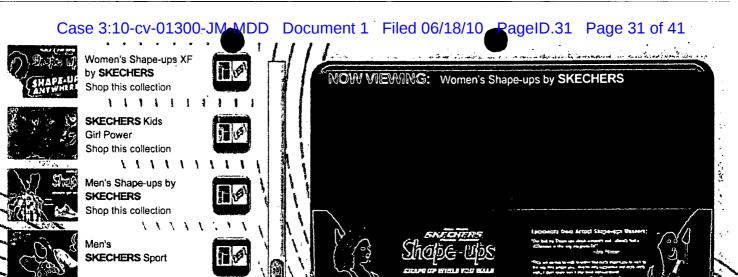
SKECHERS Women's Wedges Shop this collection





SKECHERS Women's Active Shoes Shop this collection





Gup is shaped Without Setting Foot in a Gym.

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Shape-ups by
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Men's

for Work

SKECHERS Sport
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Slip-Resistant Footwear Shop this collection

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Slip-Resistant Shape-ups for Work Shop this collection



1111 **SKECHERS** Kids





SKECHERS

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Women's Shape-ups by **SKECHERS** Shop this collection



SKECHERS Women's Wedges

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IIIII**SKECHERS** Women's





HHHHHH SKECHERS Women's



Sneakers Shop this collection





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SKECHERS Men's Casual Shoes Shop this collection



SKECHERS Men's Shoes Shop this collection

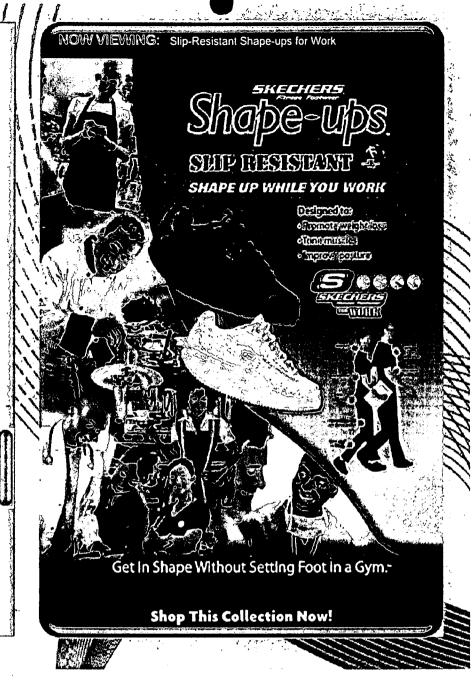


SKECHERS Men's Shoes Shop this collection



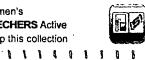
SKECHERS Work Shoes Shop this collection







SKECHERS Active Shop this collection



SKECHERS Sport Shop this collection



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SKECHERS USA Shop this collection



Slip-Resistant Shape-ups for Work



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SKECHERS Kids



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Women's Shape-ups by **SKECHERS**



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Wedges Shop this collection



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SKECHERS Women's **Active Shoes**



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SKECHERS Women's Sneakers



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SKECHERS Men's



Casual Shoes Shop this collection



SKECHERS Men's Shoes



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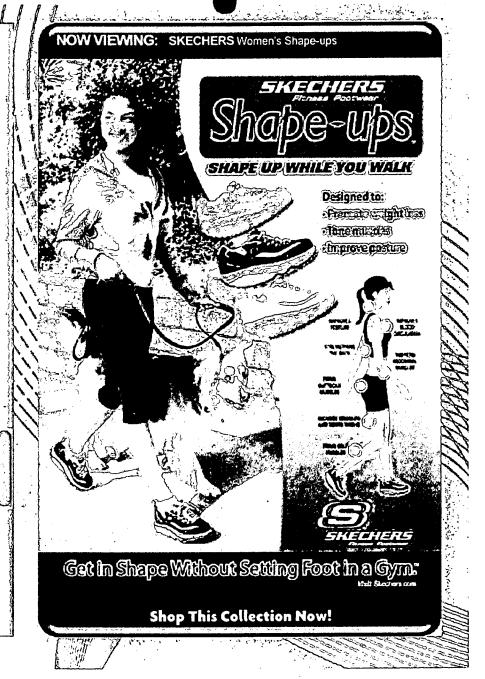


SKECHERS Men's Shoes Shop this collection



SKECHERS Work Shoes Shop this collection





Case 3:10-cv-01300-JM-MDD Document 1 Filed 06/18/10 Page 34 of 41



SKECHERS Times Square Store New York City, New York Shop this collection



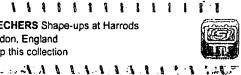


SKECHERS Shape-ups at Harrods London, England Shop this collection





SKECHERS Shape-ups at Harrods London, England Shop this collection





SKECHERS Women's Footwear on New York Buses Shop this collection



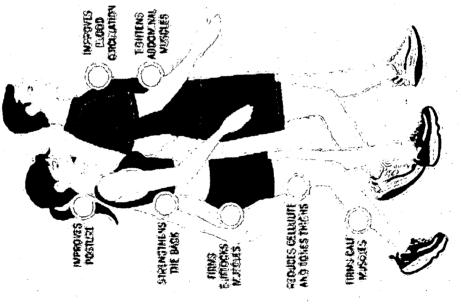


CHANGE YOUR LIFE BY WALKING IN Shalpe-wide.

Wälking is a form of endurance exercise which means it shengiltens your heart he as your least the ps your langs was more efficiently, and increases your stanning. Also a we ght-beamit exercise, it helps strengilten your tartes and muscles, and maintain joint floxibility.

Shape Ups" are designed to enhance the benefits of walking by stimulating muscles not utilized with standard walking shoes. They also reduce the impact on joints by providing surface. Walking on a sall suface may seem awkward at Irst, but your bady will compensale by detivating musches in your legs, butlocks, back and stumath to center your bady, resulting in improved coordination and posture, skeringer musches, and increased blood flow.

Shope Ups will have a positive impact on you physically Regular use of Shape Ups fielp you steep better and cam play on impactant rate in combaling steess. It's as easy as walking in Shape Ups.



SHAPE UP WHILE YOU WALK"



'600 B Street, Suite 1550 | San Diego, CA 92101 T | 619.338.1100 F | 619.338.1101 www.bholaw.com

Timothy G. Blood tblood@bholaw.com

June 17, 2010

VIA CERTIFIED MAIL (RETURN RECEIPT) (RECEIPT NO. 7005 0390 0005 9156 2547)

Mr. Robert Greenberg Chairman of the Board and CEO SKECHERS U.S.A., Inc. 228 Manhattan Beach Blvd. Manhattan Beach, CA 90266

Re: SKECHERS Shape-ups®

Dear Mr. Greenberg:

We represent Tamara Grabowski ("Plaintiff") and all other consumers similarly situated in an action against SKECHERS USA, Inc. ("SKECHERS" or "defendant"), arising out of, *inter alia*, misrepresentations by SKECHERS to consumers that SKECHERS Shape-ups® provide consumers with health benefits, including promoting weight-loss, improving posture, improving blood circulation, burning calories, strengthening various muscles, reducing stress on knees, legs and joints, and promoting sleep and reducing stress.

Plaintiff and others similarly situated purchased Shape-ups®, unaware of the fact that defendant's representations were not truthful and that there is no adequate scientific or clinical proof that Shape-ups® provide the purported major health benefits to all persons. The full claims, including the facts and circumstances surrounding these claims, are detailed in the Class Action Complaint, a copy of which is attached and incorporated by this reference.

These representations and omissions are false and misleading and constitute unfair methods of competition and unlawful, unfair, and fraudulent acts or practices, undertaken by defendants with the intent to result in the sale of Shape-ups® to the consuming public.

Defendant's practices constitute violations of the Consumers Legal Remedies Act, California Civil Code §1750 et seq. Specifically, defendant's practices violate California Civil Code §1770(a) under, *inter alia*, the following subdivisions:

- (5) Representing that goods or services have . . . approval, characteristics, . . . uses [or] benefits . . . which they do not have
- (7) Representing that goods or services are of a particular standard, quality or grade . . . if they are of another.
- (9) Advertising goods or services with intent not to sell them as advertised.



Mr. Robert Greenberg June 17, 2010 Page 2

(16) Representing that the subject of a transaction has been supplied in accordance with a previous representation when it has not.

As detailed in the attached Complaint, defendant's practices also violate California Business and Professions Code §17200 et seq., and constitute a breach of warranty.

While the Complaint constitutes sufficient notice of the claims asserted, pursuant to California Civil Code §1782 and California Commercial Code §2607, we hereby demand on behalf of our client and all others similarly situated that defendant immediately correct and rectify these violations by ceasing the misleading marketing campaign, ceasing dissemination of false and misleading information as described in the enclosed Complaint, and initiating a corrective advertising campaign to re-educate consumers regarding the truth of the products at issue. In addition, SKECHERS must offer to refund the purchase price to all consumer purchasers of Shape-ups®, plus provide reimbursement for interest, costs, and fees.

We await your response.

Sincerely,

TIMOTHY G. BLOOD

TGB:rc

Enclosure

SJS 44 (Rev. 12/07)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

the civil docket sneet. (SEE I	NSTRUCTIONS ON THE REVERSE OF THE FORM.)				
I. (a) PLAINTIFFS			DEFENDANTS		
TAMARA GRABOWSK Bituated and the Gener	(I, On Behalf of Herself, All Others Si ral Public	milarly	SKECHERS U.	s. 20149UN 18	AM 11: 20
(b) County of Residence			County of Residence of	of First Listed Defendant	Los Apgeles, CA
	EXCEPT IN U.S. PLAINTIFF CASES)	-		SOUTUS PLAINTIFF CA	SES ONLY
		•	NOTE: IN LAND	INVOLVED.	POSETHE LOCATION OF THE
(c) Attorney's (Firm Nam	e, Address, and Telephone Number)		Attorneys (If Known)	вү	/
imothy G. Blood, Bloo	d Hurst & O'Reardon, LLP		'10 C\	/1300 JN	n WVG
), SanDiego, CA 92101 619/338-110	0	, 100		
II. BASIS OF JURISI	DICTION (Place an "X" in One Box Only)	III. C		RINCIPAL PARTI	ES(Place an "X" in One Box for Plaintiff
□ 1 U.S. Government Plaintiff	☐ 3 Federal Question (U.S. Government Not a Party)	- 1		TF DEF I I Incorporated of Business In	and One Box for Defendant) PTF DEF or Principal Place
☐ 2 U.S. Government	■ 4 Diversity	Citiz	en of Another State		
Defendant	(Indicate Citizenship of Parties in Item III)	Citiz	en of Another State		and Principal Place
	(minute of managers) and the first		en or Subject of a reign Country	3 🗇 3 Foreign Natio	on
IV. NATURE OF SUI					
□ 110 Insurance	SERIO CONTROL IN LINE OF THE CONTROL OF T				
☐ 120 Marine	PERSONAL INJURY PERSONAL INJU 310 Airplane 362 Personal Injur		0 Agriculture 0 Other Food & Drug	422 Appeal 28 USC 158423 Withdrawal	400 State Reapportionment410 Antitrust
☐ 130 Miller Act ☐ 140 Negotiable Instrument	☐ 315 Airplane Product Med. Malprace	tice 🗇 62	5 Drug Related Seizure	28 USC 157	430 Banks and Banking
☐ 150 Recovery of Overpayment	☐ 320 Assault, Libel & Product Liabil		of Property 21 USC 881 0 Liquor Laws	PROPERTYRIGHTS	450 Commerce 460 Deportation
& Enforcement of Judgment 151 Medicare Act		onal 🗇 64	0 R.R. & Truck	☐ 820 Copyrights	☐ 470 Racketeer Influenced and
☐ 152 Recovery of Defaulted	330 Federal Employers' Injury Product Liability Liability		60 Airline Regs. 60 Occupational	830 Patent 840 Trademark	Corrupt Organizations 480 Consumer Credit
Student Loans	☐ 340 Marine PERSONAL PROPE	ERTY	Safety/Health		490 Cable/Sat TV
(Excl. Veterans) ☐ 153 Recovery of Overpayment	☐ 345 Marine Product ☐ 370 Other Fraud ☐ 371 Truth in Lendin		O Other	 SOCIAL SECURITY	810 Selective Service 850 Securities/Commodities/
of Veteran's Benefits	☐ 350 Motor Vehicle ☐ 380 Other Personal		0 Fair Labor Standards	☐ 861 HIA (1395ff)	Exchange
☐ 160 Stockholders' Suits☐ 190 Other Contract	☐ 355 Motor Vehicle Property Dama Product Liability ☐ 385 Property Dama		Act	☐ 862 Black Lung (923)	875 Customer Challenge
☐ 195 Contract Product Liability			0 Labor/Mgmt. Relations 0 Labor/Mgmt.Reporting	☐ 863 DIWC/DIWW (405) ☐ 864 SSID Title XVI	(g)) 12 USC 3410 890 Other Statutory Actions
196 Franchise REAL PROPERTY	Injury Injury PRISONER PETITI	(ONE) = 7	& Disclosure Act	☐ 865 RSI (405(g))	☐ 891 Agricultural Acts
210 Land Condemnation	441 Voting 510 Motions to Vac	cate 79	0 Railway Labor Act 0 Other Labor Litigation	■ FEDERAL TAX SUITS ■ 870 Taxes (U.S. Plaintiff	
220 Foreclosure	☐ 442 Employment Sentence		l Empl. Ret. Inc.	or Defendant)	☐ 894 Energy Allocation Act
☐ 230 Rent Lease & Ejectment ☐ 240 Torts to Land	Accommodations Habeas Corpus: 530 General		Security Act	26 USC 7609	☐ 895 Freedom of Information Act
245 Tort Product Liability	☐ 444 Welfare ☐ 535 Death Penalty	LITER.	IMMIGRATION		900Appeal of Fee Determination
290 All Other Real Property	U 445 Amer. w/Disabilities - 540 Mandamus & 0 Employment 550 Civil Rights	L L	2 Naturalization Application 3 Habeas Corpus -		Under Equal Access
	446 Amer. w/Disabilities - 555 Prison Condition		Alien Detainee		to Justice 950 Constitutionality of
	Other	□ 46	5 Other Immigration		State Statutes
	440 Other Civil Rights		Actions		
V. ORIGIN (Place	an "X" in One Box Only)	<u> </u>			Appeal to District
☑ 1 Original ☐ 2 R	emoved from 3 Remanded from Appellate Court	Reop	pened another (specific		ation Judgment
	Cite the U.S. Civil Statute under which you 28 U.S.C. 1332(0)(W)	are filing (Do not cite jurisdictions	al statutes unless diversit	y):
VI. CAUSE OF ACTI	Brief description of cause: Violation of Civil Code 1750, B			**	-
VII. REQUESTED IN		ON D	EMAND \$		only if demanded in complaint:
COMPLAINT:	UNDER F.R.C.P. 23	5,000,0	00.00	JURY DEMA	ND: Yes 🗆 No
VIII. RELATED CAS IF ANY	SE(S) (See instructions): JUDGE			DOCKET NUMBER	
PATE	SIGNATURE OF A	ATTORNEY	OF RECORD)
06/17/2010 FOR OFFICE USE ONLY	Timothy G. Bl	lood	imi	70 82	\sim
11/11/1	MOUNT 350— APPLYING IFP		JUDGE	∫ MAG	JUDGE
	2 (

Court Name: USDC California Southern

Division: 3

Receipt Number: CAS014761

Cashier ID: mbain

Transaction Date: 06/18/2010

Payer Name: BLOOD HURST AND OREARDON

CIVIL FILING FEE

For: GRABOWSKI V SKECHERS

Case/Party: D-CAS-3-10-CV-001300-001

Amount: \$350.00

Check/Money Order Num: 1185 Amt Tendered: \$350.00

Total Due:

\$350.00

Total Tendered: \$350.00

Change Amt:

\$0.00

There will be a fee of \$45.00 charged for any returned check.